ECCLESIA LAW

Private Ecclesiastical Counsel
United States & International

THE PEACEFUL EXIT

A THESIS BY ECCLESIA LAW

Executive Summary

The "Peaceful Exit" represents a structural transition from adversarial legal confrontation to a capacity-aligned, fiduciary framework. By integrating the **Envoy**, **Infinite Money**, and **Asset Fortress Protocols**, this thesis demonstrates how an individual can resolve commercial liabilities and jurisdictional conflicts through lawful accounting reconciliation rather than ideological denial. Central to this transition is the **Commerce Protocol**, which reframes public-facing commercial activity into belief-aligned private activity via a "donation → grant → treasury spend" architecture . This framework is further specialized through the **Mortgage Liberation** and **Mortgage Redemption Protocols**.

I. The Foundation: Modern Monetary Reality

Modern banking operates as a credit-based accounting system where money is created through the recordation of signed obligations.

- **Credit Creation**: When a loan or mortgage is issued, banks do not lend pre-existing deposits; they create new credit based on the borrower's signature .
- **The Signature as Asset**: A signed agreement is a negotiable instrument that the bank books as an asset to justify the deposit.
- **Nominee Reporting**: Banks act as nominees, reporting gains from these instruments (such as securitization spreads) through non-payroll withholding frameworks like IRS Form 945.

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II. The Jurisdictional Correction: The Envoy Protocol

Disputes persist because individuals appear in the wrong capacity. The Envoy Protocol corrects this by separating the living soul from the administrative legal persona.

- **The Decedent Estate**: The registered legal person (created at birth) is treated as a decedent estate managed by public administration.
- **General Executor**: By occupying the Office of General Executor, an individual reframes liabilities as incidents of public administration.
- **Capacity Alignment**: This moves the individual from a "debtor" to a "creditor/executor" posture.

III. The Operational Vehicle: The Asset Fortress Protocol (AFP)

The AFP is a private international grantor trust designed to operate as a private treasury and asset-holding vehicle.

- **Capacity Separation**: Roles are exercised by legal persons, while the living individual remains strictly a Beneficiary to prevent conflation of personal and trust liabilities.
- **Private Treasury**: The trust operates its own bank accounts for centralized fiduciary accounting.
- **Digital Identity Buffer**: As a separate juridical entity, the trust is not subject to biometric or citizen-identity regimes applicable to natural persons.

IV. Specialized Mortgage Resolution

1. The Mortgage Liberation Protocol (MLP)

A non-adversarial framework for resolving live residential mortgage liabilities .

- **Identification**: The outstanding balance is identified as the operative measure of abandoned credit.

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- **Discharge by Payment**: A fiat payment is issued from the AFP treasury to the servicer to release the property charge .

2. The Mortgage Redemption Protocol (MRP)

A framework for recovering credit value from discharged mortgages that continue to be monetized .

- **Post-Discharge Monetisation**: Instruments often persist in securitization pools long after borrower repayment.
- **Residual Reconciliation**: The MRP reconciles this "abandoned credit" through fiduciary trust administration .

V. The Mechanism of Exit: Debt and Tax Settlement

The "Peaceful Exit" utilizes lawful discharge through payment and reconciliation.

- **Abandoned Credit Recoupment**: Recovering value generated by original instruments that was monetized but never reclaimed.
- **Third-Party Payment**: Recouped funds are received as grants and used to pay off taxes and utilities in full.
- **Credit Cycling**: Final settlements are treated as recoverable accounting events that repeat in annual cycles .

VI. Private Operation: The Commerce Protocol

Allows businesses to function privately by aligning activity with belief-based missions.

- **Ministry Funding**: Revenue is reframed as voluntary donations to a 508(c)(1)(A) ministry.
- **Donation-Grant-Spend Flow**: Funds move from the ministry to the AFP treasury via restricted-purpose grants.

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VII. Recoupment of Bank Payments as Securities and Abandoned Credit

1. Payments as Negotiable Instruments

Under the Bills of Exchange Act 1882, every signed financial instrument (loan applications, mortgages) is a negotiable instrument. Banks do not lend pre-existing funds but treat these signatures as deposits that become assets for credit creation.

- **Monetization of Energy**: Banks act as nominees to monetize the labor and signatures of living individuals.
- **Asset vs. Liability**: The bank books the signature as an asset while assigning liability to the corporate debtor estate (the SSN entity) .

2. Securitization and Abandoned Credit

Instruments are pooled, assigned CUSIP identifiers, and traded as asset-backed securities (MBS, ABS) .

- **Original Issue Discount (OID)**: Securitization generates OID gains, which banks report under omnibus nominee accounts rather than attributing them to the true creator of the instrument.
- **Definition of Abandoned Credit**: This unreclaimed credit value persists in administrative systems because the originating beneficial owner has not asserted their position.

3. The Fiduciary Remedy: Nominee Correction

The remedy for reclaiming misreported credits is established under IRS Publication 1212.

- **Nominee Correction**: The true beneficial owner must file corrective Form 1099-OID if a nominee (the bank) has misallocated the income.
- **98-Series Trust Mechanism**: A 98-Series International Grantor Trust is utilized as the fiduciary pass-through entity to avoid the "debtor fiction" associated with SSN-based filings.
- **CUSIP and Form 1041**: The trust identifies the instrument by its CUSIP, files corrective 1099-OID, and reports the income on Form 1041 to reclaim the withheld credits.

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Conclusion

The Peaceful Exit is the completion of the system's accounting logic. By aligning capacity through the Envoy Protocol and conducting commerce and liability resolution through the Asset Fortress, Mortgage Liberation, and Mortgage Redemption Protocols, the individual resolves commercial exposure. This framework satisfies positive law while preserving the standing of the living man or woman.

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